
SEMINOLE COUNTY, FLORIDA



Presenter's Copy

August 9, 2001

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1 PARTICIPANTS

Presentation Participants

SEMINOLE COUNTY

<i>Randall C. Morris</i>	Vice Chairman	Board of County Commissioners
<i>J. Kevin Grace</i>	County Manager	Seminole County
<i>Cynthia W. Hall</i>	Director	Department of Fiscal Services

FINANCIAL ADVISOR

<i>Gary Akers</i>	Senior Vice President	Hanifen, Imhoff
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INVESTMENT BANKER

<i>David Levy</i>	Director	Salomon Smith Barney
<i>George Leung</i>	Director	Salomon Smith Barney

2 INTRODUCTION

Seeking the highest Double A Ratings Consistent with Seminole County's Basic Strengths

- ▶ Key credit factors support the high grade ratings:
 - Economic base is strong and diverse with continued strong growth and above average wealth levels
 - Finances are sound and well managed in accommodating the growth without undue financial pressures
 - Management is strong and forward looking in its long range planning
 - Debt levels are low and well structured for rapid debt retirement
 - Sales taxes provide high quality security reflecting County's fundamental strengths
 - Sales tax bonds will maintain over three times debt service coverage

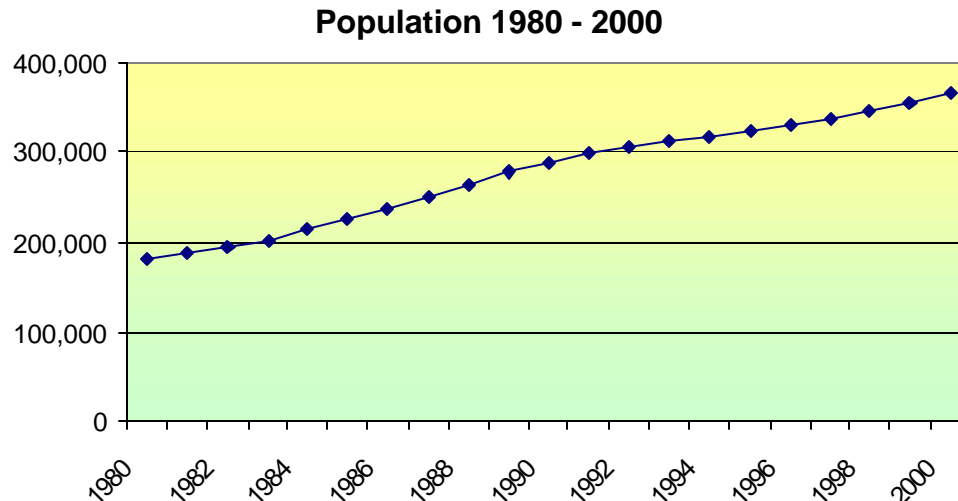
3 TRAILS DEVELOPMENT

Parks and Trails Enhancements

- ▶ On November 7th, Seminole County citizens, by a vote of 58%, approved a \$25 million bond referendum that will fund the development of a network of urban and wilderness trails throughout the County and provide additional funds for the acquisition of Natural Lands. This bond will expand the scope of the twenty year 1990 Natural Lands referendum that has allowed the County to acquire 5,600 acres of environmentally sensitive lands for preservation.
- ▶ Through this referendum, Seminole County will create an interconnected system of urban trails that will be over 50 miles long as well as connections to schools, parks, shopping and neighborhoods.
- ▶ Among other major projects, the bond money will be used to advance the construction of the Cross Seminole Trail, a 14-mile urban trail and complete the 3.7-mile connection from this trail to the Seminole Wekiva Trail, another 14-mile urban trail located west of I-4.
- ▶ In addition, a 20-mile network of wilderness trails will be created including a section of the Florida National Scenic Trail, a 1,300-mile wilderness path, which runs from the panhandle to the Everglades. Urban (paved) trails will provide citizens with two major benefits: a choice of transportation modes that will traverse the entire county and secondly, a safe, convenient recreational opportunity.

4 ECONOMIC OVERVIEW OF SEMINOLE COUNTY

Trend in Seminole County's Population



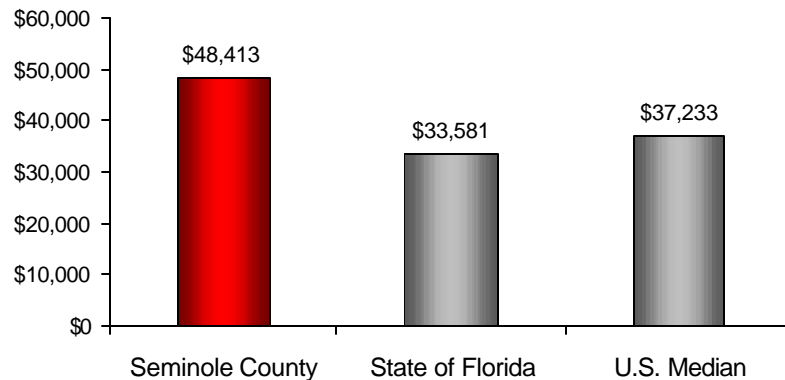
- ▶ Seminole County has experienced strong population growth changing from a rural to a diverse economy including substantial residential, commercial and industrial rateables
- ▶ The County has been able to accommodate high population growth without undue financial pressures or raising millage, accomplished through good management and long range planning
- ▶ Seminole County annual growth has averaged a 3.6% increase over the last 20 years
- ▶ Projected population growth rate is conservatively estimated at 1.9%
- ▶ County's relatively young population supports continued growth in jobs and housing

Age Distribution

0-17	25%
18-23	8%
25-44	32%
45-64	24%
65 +	11%
County Median Age	36.2
State of Florida Median Age	39.1

Seminole County's Income and Wealth supports High Quality Ratings

- ▶ Seminole County has the highest Median Household Income in the State of Florida, as reported by the U.S. Bureau of the Census
- ▶ Seminole County's income is 144% of Statewide median
- ▶ Seminole County income is 130% of U.S. figure



Source: Seminole County figure for 1998 obtained from local sources, not strictly comparable to State and U.S. medians obtained from U.S. Department of Commerce

Median Household Incomes Comparison

County	1979		1989		1995	
Seminole	18,289	1	35,637	1	41,428	1
Clay	18,407	2	34,860	2	41,161	2
Nassau	16,948	3	30,233	9	37,813	5
Brevard	16,858	4	32,524	4	34,729	11
Palm Beach	16,665	5	30,534	7	35,833	8
Collier	16,620	6	34,001	3	38,303	4
Broward	16,580	7	30,571	6	33,895	14
Martin	NA		31,760	5	36,470	7
Orange	NA		30,252	8	34,558	12

Source: U.S. Department of Commerce

Housing Developments Reinforce the County's Credit

- ▶ The County's central location and availability of land has stimulated strong and favorable residential development
 - Not expecting to reach full residential buildout until mid century
- ▶ Transition from a rural to quality suburban development reinforced Seminole County and the Orlando region's MSA attracting a diversity of higher paying jobs, including trade and manufacturing jobs
- ▶ Average sales price of a single family home in Seminole County has increased 35% in the last five years reflecting a strong economic base
- ▶ Demand for larger homes and the availability of land reinforces Seminole County's housing developments
 - Average home size has increased 12% over the last five years

Seminole County Schools are a Key Attraction and Strength

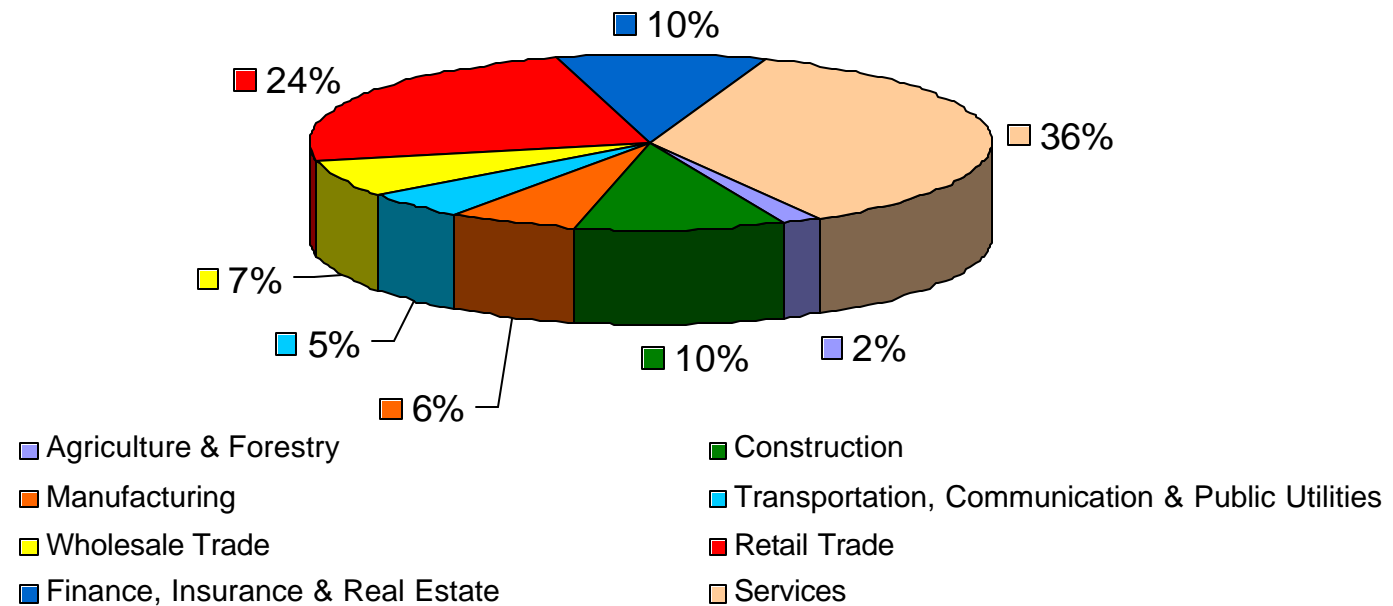
- ▶ National Schools of Excellence awards by US Department of Education received by “three” of the County’s schools; Greenwood Lakes Middle School, Jackson Heights Middle School and Lyman High School
- ▶ Seminole County schools are nationally recognized as one of the top 100 school districts in the Country (MONEY magazine)
- ▶ Received “What Parents Want” award four times from National School Match organization
 - This organization promotes Seminole County schools to families seeking relocation

Seminole County Schools attract many home buyers

- ▶ SAT scores consistently exceed state and national averages (Seminole County 1044, state 998, national 1019)
- ▶ School system has invested \$35 million in latest technology and over \$300 million for new construction/ renovations in the past five years
- ▶ Strong local support evident in \$20 million in scholarships “annually” awarded from private sources to graduating seniors

Diversity in Seminole County's Employers

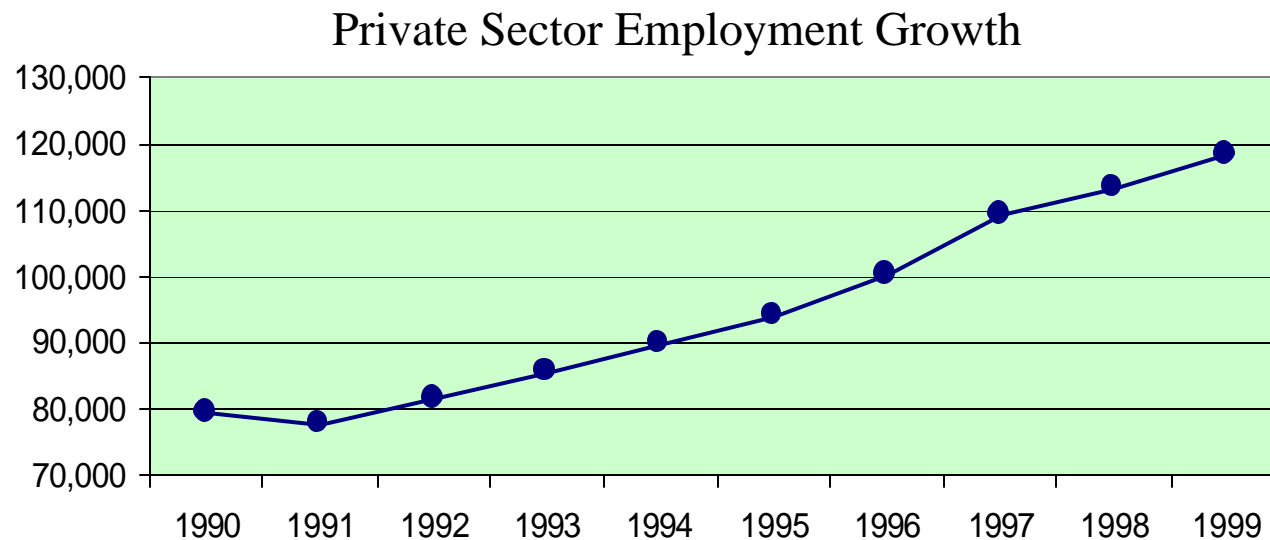
- The county has become a regional employment center with strong growth in several high-value, high-wage industry sectors



Source: U.S. Department of Commerce. Bureau of Economic Analysis, 1999

Trend in Private Sector Employment (1990 - 1999)

- ▶ Private sector employment has grown by almost 47% since 1990
- ▶ For the period between 1995-2000 Seminole County experienced the highest average annual increase in County job growth in the Central Florida region: 5.8%. Population annual increase over the same time period was 2.4%
- ▶ Seminole County is a net importer of labor, reinforcing its economic strength



Source: U.S. Department of Labor ES 202

Trend in Employment (Continued)

- ▶ Some of the County's newest corporate citizens include: Mitsubishi Power Systems Western Hemisphere headquarters, Bank of New York Investment Management Services regional headquarters, PublixDirect, Unicef Paper, FirstUSA, FISERVE, Veritas Software and Intervoice Bright Information Systems
- ▶ The Mitsubishi headquarters relocation project, the state of Florida's "Deal of the Year", will bring 116 jobs paying an average annual salary of \$87,000 per employee to the County

Top Private Employers in Seminole County

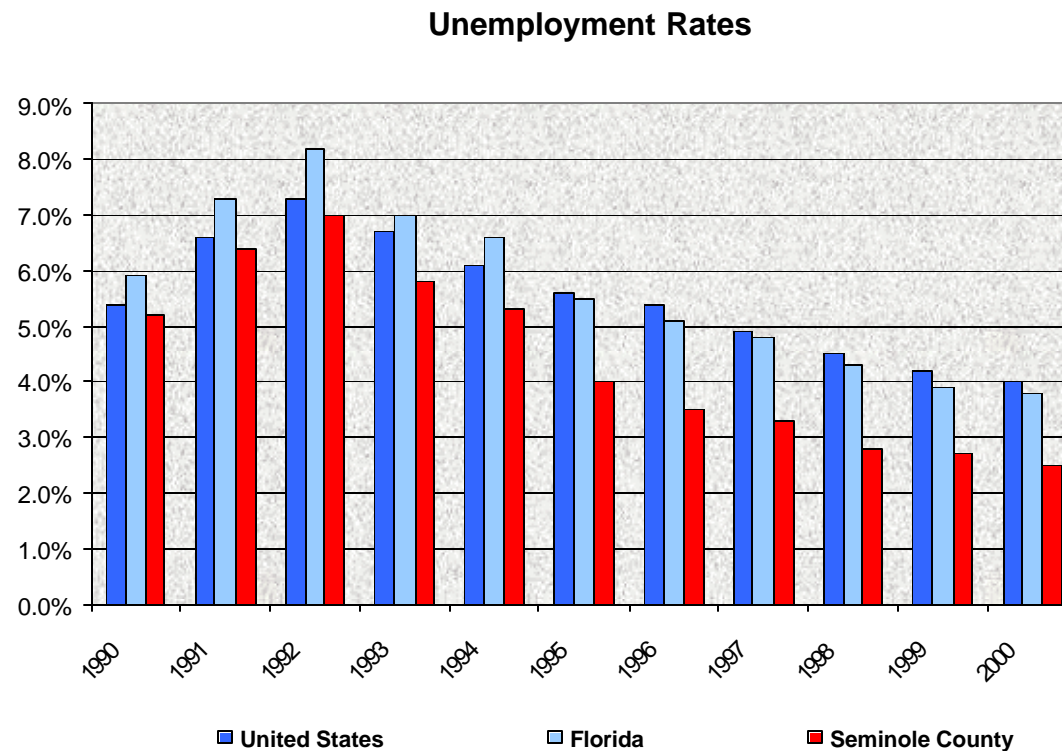
2000 (over 1,000 employees)

- 1 Convergys (1CN)
- 2 Sprint
- 3 Siemens - ICM
- 4 FirstUSA
- 5 Reston Corp.
- 6 AAA
- 7 Florida Hospital
- 8 Veritas

Source: Seminole County

Unemployment Rate Trends

- Seminole County economic strength and diversity also reflected in consistently lower unemployment rates than the State of Florida and the United States
- Latest unemployment rates (June 2001 not seasonally adjusted) are: Seminole County 3.3%, State 4.3% and U.S. 4.7%



Seminole County's Top Ten Taxpayers

- The ten largest taxpayers comprised 5.1% of the total taxable valuation in fiscal year 2000

Top Ten Taxpayers in Seminole County 2000

	Taxpayer	Type of Business	Assessed Valuation
1	Florida Power Corporation	Electric Utility	\$141,714,837
2	Sprint - Florida, Inc.	Communications	\$91,952,518
3	Seminole Towne Center LP	Shopping Mall	\$89,462,161
4	Altamonte Mall Jt. Venture (DeBartollo & Associates)	Shopping Mall	\$86,942,216
5	Bell South Communications	Communications	\$85,412,953
6	Rouse - Orlando, Inc.	Shopping Mall	\$70,388,871
7	United Dominion Realty Trust	Apartment Complexes	\$42,741,570
8	Florida Power & Light	Electric Utility	\$41,810,713
9	Crescent Resources, Inc.	Office Buildings	\$41,393,312
10	Convergys Corporation	Communications	\$39,087,353
			<u>\$730,906,504</u>

Source: Seminole County Comprehensive Annual Report - 2000

Growing Diversity of the Tax Base

- Growth in the commercial and industrial tax base has greatly outpaced the growth in the total tax base in the most recent five year period, indicating diversifying mix of rateables

Components of Taxable Value

	Total	5 Year % Change	Commercial	5 Year % Change	Industrial	5 Year % Change
1990	8,717,972,774		1,353,198,010		317,277,780	
1995	11,067,504,950	27%	1,570,454,740	16%	367,359,300	15%
2000	15,399,365,174	39%	2,528,422,359	61%	542,706,917	48%
2001	16,939,032,026		2,729,009,838		569,375,131	

Source: Property Appraiser

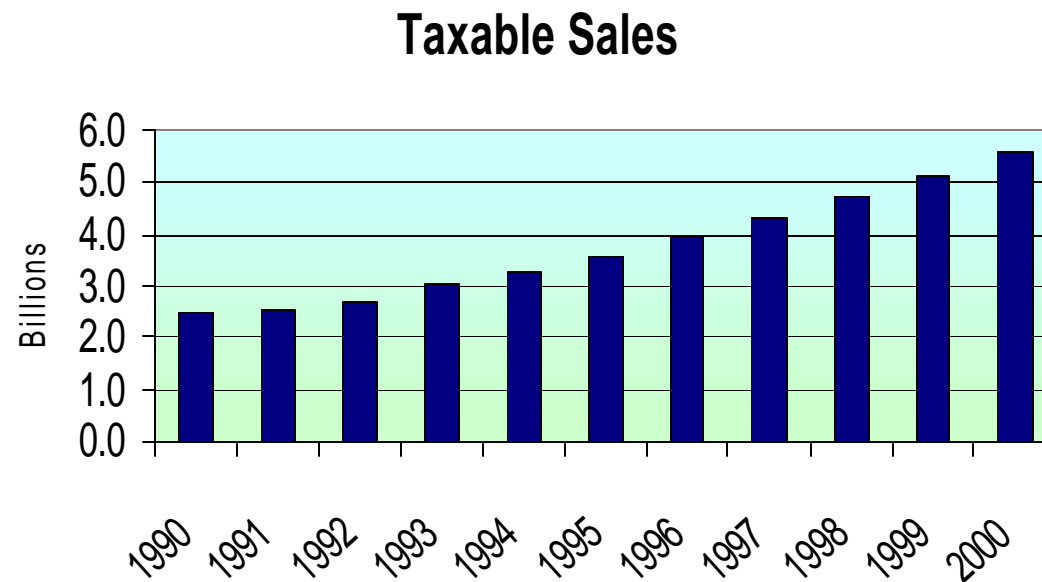
Trend in Sales Tax Collections

- Half cent sales tax revenue has increased an average of 8.5% (over \$1 million) each year from 1990 through 2000.

Fiscal Year	Actual Revenue	Percent Change	Dollar Change
1990	8,541,576		
1991	9,329,307	9.2%	787,731
1992	9,692,598	3.9%	363,291
1993	10,921,252	12.7%	1,228,654
1994	11,536,699	5.6%	615,447
1995	12,822,761	11.1%	1,286,062
1996	14,237,838	11.0%	1,415,077
1997	15,291,957	7.4%	1,054,119
1998	16,757,541	9.6%	1,465,584
1999	18,305,020	9.2%	1,547,479
2000	19,339,935	5.7%	1,034,915
10 Year Average		8.5%	1,079,836

Trend in Taxable Sales

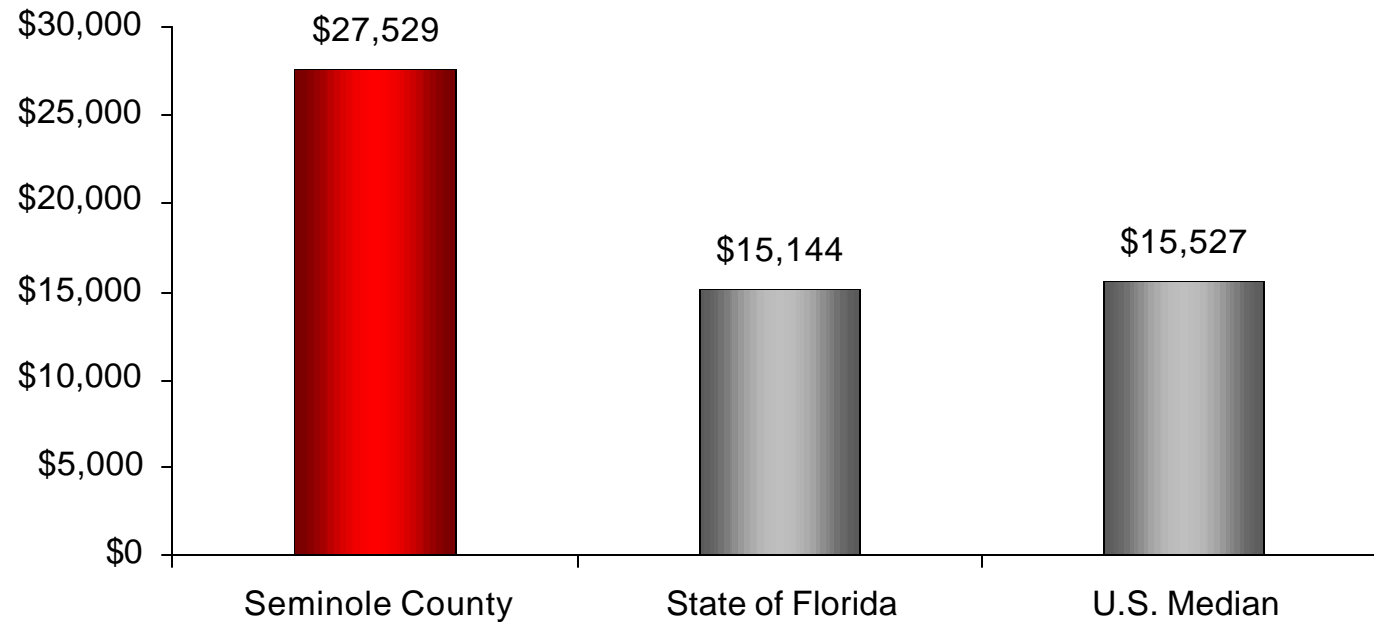
- Taxable sales increased 124% in 10 years.



Source: State of Florida Department of Revenue

Annual Retail Expenditures Per Household

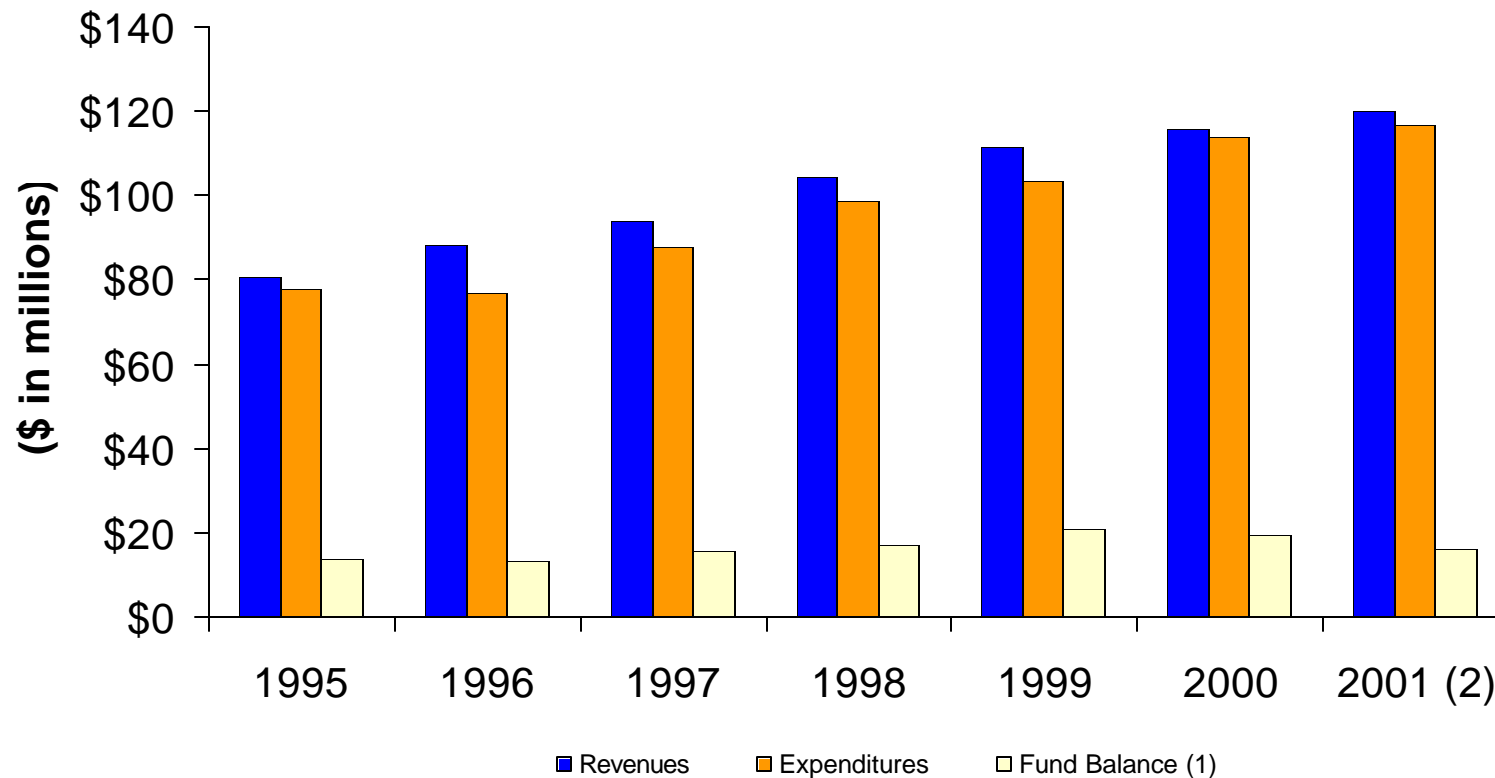
- Strong retail supports sales tax base



Source: Florida Abstract 2000 BEBR for Seminole County; State of Florida and U.S. Median are from CACI

5 SEMINOLE COUNTY FINANCIAL DATA

Trend in General Fund Revenues, Spending and Balance ⁽¹⁾

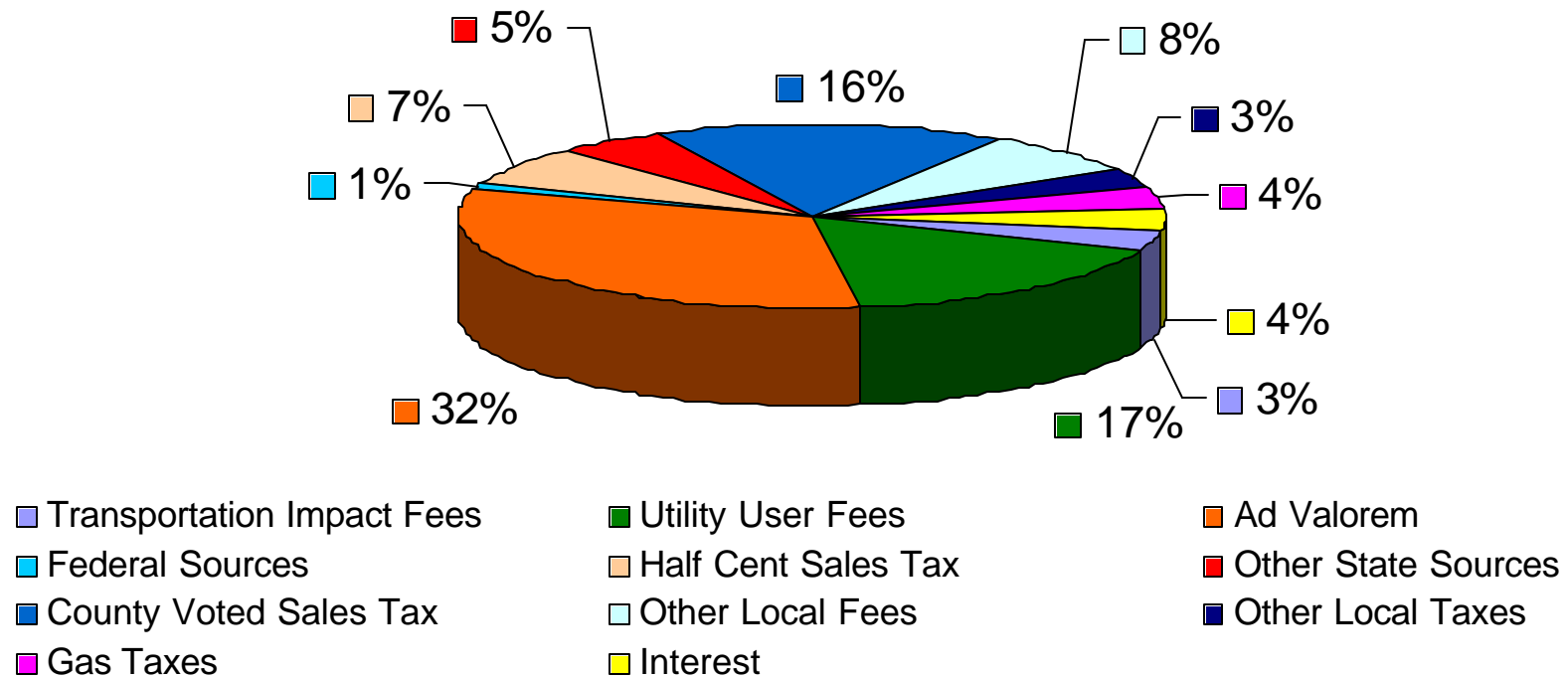


(1) Fund balance also reflects transfers in and transfers out; for fiscal 1995 through 2000 transfers in were \$0.8 million, \$1 million, \$1.3 million, \$1 million, \$1.7 million and \$2.1 million; transfers out were \$6.0 million, \$4.7 million, \$4.7 million, \$4.9 million, \$5.2 million and \$5.5 million, respectively.

(2) Preliminary 2001

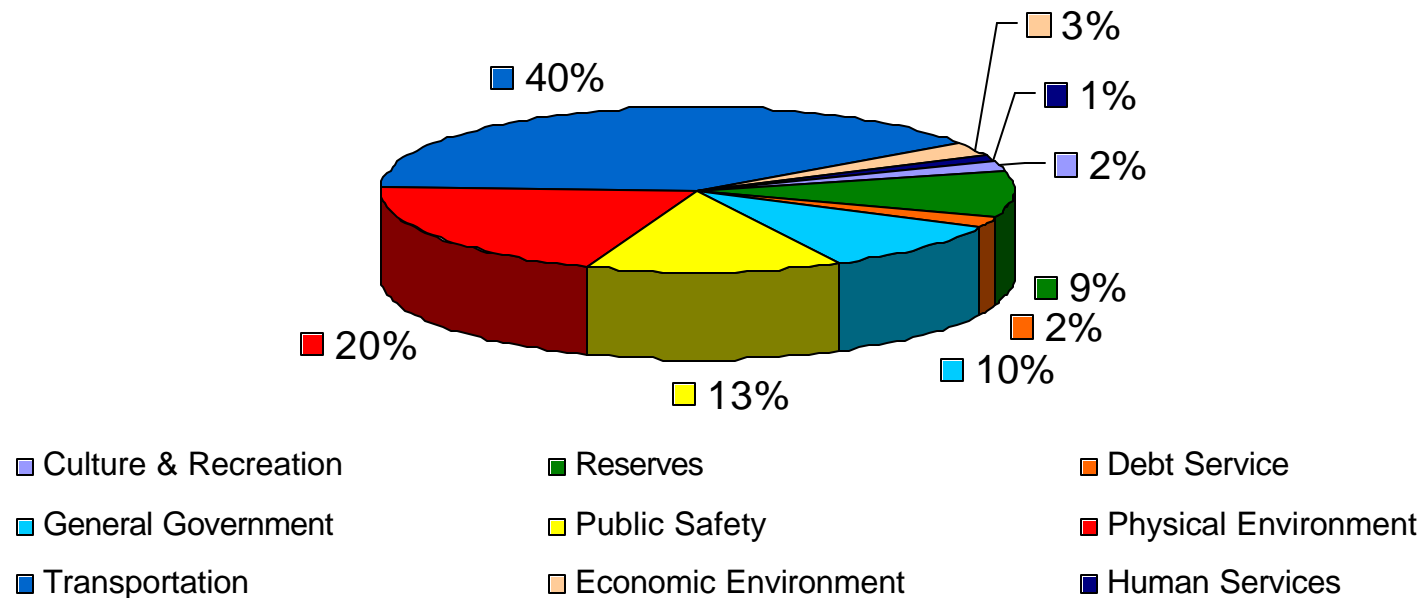
Fiscal Year 2000/01 Revenues

- ▶ Revenues are well diversified with only 32% of new revenues coming from ad valorem taxes
- ▶ Chart reflects new revenues only, totaling \$300 million



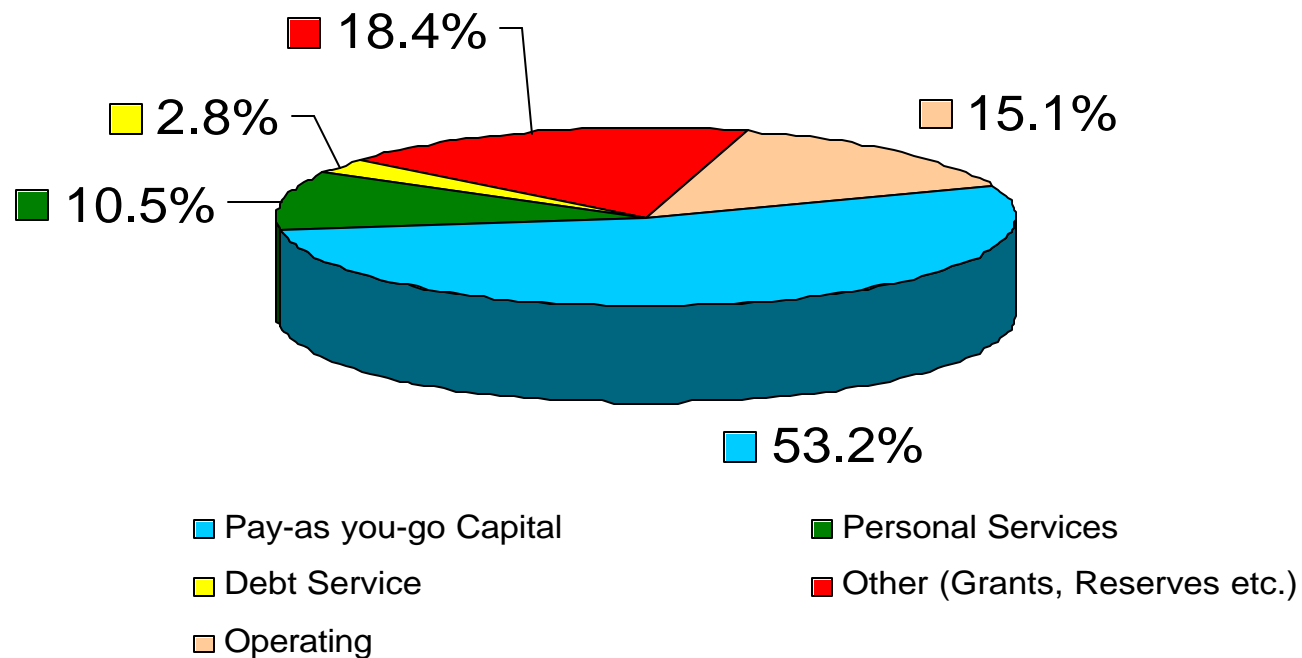
Fiscal Year 2000/01 Expenditures

- ▶ Expenditures demonstrate priorities of Seminole County
 - Emphasis is placed on public safety
 - Strong infrastructure development highlights road construction and utility expansions
 - Funding for infrastructure is largely from the voted 1 cent sales tax and prior bonds issued for the water and sewer system



Fiscal Year 2000/01 Expenditures by Category

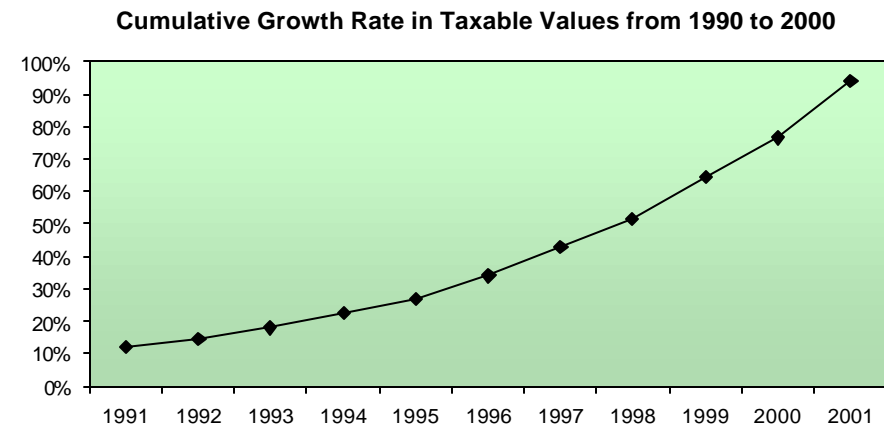
- Significant budget flexibility in sizable capital programs funded from growth



Trend in Assessed Value

- ▶ Seminole County's tax base is substantial and has shown strong growth
- ▶ Growth in tax base has been among the strongest in the State, averaging 7.4% for the period 1995 through 2001, compared to an average of 2.6% inflation index

	Taxable Value Billions	Annual % Increase
1980	2.6	-
1990	8.7	12.7
1995	11.1	4.9
1996	11.7	5.4
1997	12.5	6.9
1998	13.2	6.1
1999	14.3	8.4
2000	15.4	7.9
2001	16.9	10.0



Source: Seminole County Property Appraiser

Trend in Tax Rate

- ▶ County has actually reduced tax rates four times over the 1992 to 2001 time period
- ▶ Ample taxing margins available as mill rates have been kept low
- ▶ The current average annual tax bill for a single family home is a modest \$1,768.
The Countywide millage portion is \$511

<u>Fiscal Year</u>	<u>Tax Rate</u>
1992	5.4
1993	5.3
1994	5.3
1995	5.2
1996	5.2
1997	5.2
1998	5.2
1999	5.2
2000	5.0
2001	5.0
2002	5.0 *

* Proposed

Financial Management Practices and Highlights

- ▶ Approach to managing finances are conservative and consistently reporting favorable budgetary results; actual revenues above original budget estimates and actual spending below budget
- ▶ County is required by law to budget only 95% of estimated revenues
- ▶ General Fund surplus balances have been maintained at high level, equal to an average of 16.8% from 1995 to 2000
- ▶ Debt service claim on budget is small and very manageable at 5.8% Current debt service for sales tax bonds (half cent) represents only 9% of total sales tax
- ▶ Operating tax rate is maintained comfortably below constitutionally mandated ten mill limit
- ▶ County maintains relatively low tax rates and does not offer tax incentives to encourage new commercial and business expansion
 - Total county millage (includes School Districts) is 54th lowest in state (of 67 counties)
 - Board of County Commissioners millage has been reduced by .4157 over 10 years (8% reduction since 1990/91) and is 59th lowest in the State.
 - Local utility tax rate is 4% of a possible 10% and is among the lowest in the State.

6 DEBT STATISTICS AND FUTURE FINANCING PLANS

Outstanding Debt

Outstanding Debt as of October 1, 2000 (\$ in millions)

GO Limited Debt	\$15.6
Environmentally Sensitive Lands	
Special Revenue Debt	
Gas Taxes – Transportation	22.7
Sales Tax – Public Safety Building & other infrastructure	26.9
Tourism Development Tax - athletic facility	2.1
Enterprise Debt	
Water / Sewer System	86.5
Solid Waste System	22.3
	<u>\$176.2</u>

Debt Program

- ▶ Key debt ratios are low to moderate for comparable issuers

Debt per capita (Excludes Enterprise Funds)	\$184.40
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Ratio of annual debt service to annual new FY 2001 revenue	2.6%
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- ▶ Future Bonding

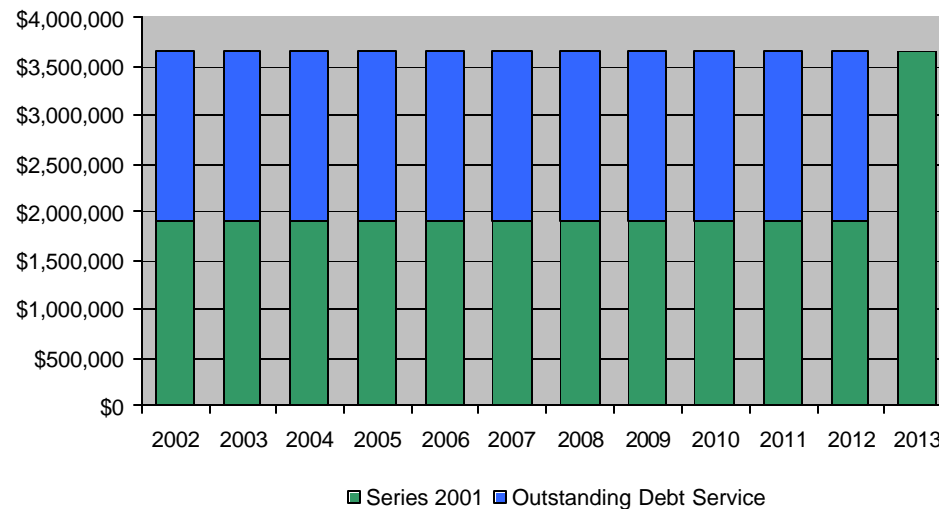
Sales Tax 2001 – Courthouse Facility	\$48.2
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GO Limited Debt 2001 - Trails	\$18.9
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GO Limited Debt 2006 – Trails	\$6.1
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Limited Tax General Obligation Bonds

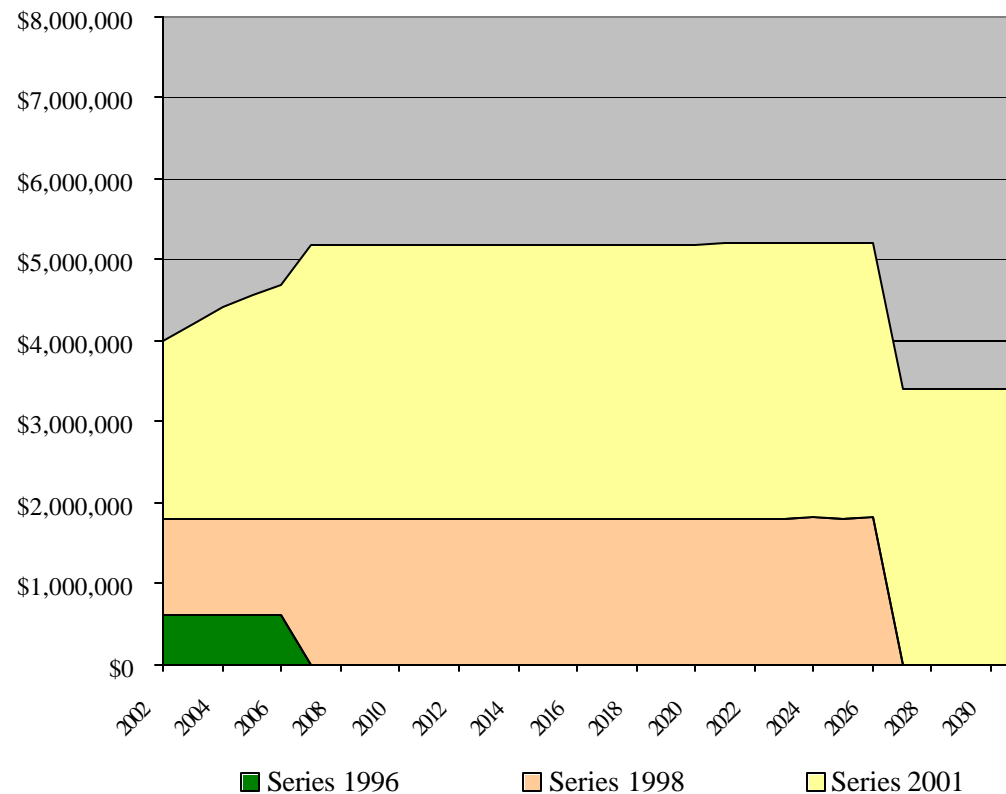
	Series 2001		Existing	Aggregate
	Principal	Interest	Debt Service	Debt Service
2002	1,510,000	384,511	1,760,546	3,655,057
2003	1,170,000	723,722	1,759,871	3,653,593
2004	1,210,000	686,750	1,756,144	3,652,894
2005	1,250,000	644,884	1,759,274	3,654,158
2006	1,295,000	599,134	1,758,706	3,652,840
2007	1,345,000	549,795	1,759,331	3,654,126
2008	1,400,000	496,129	1,760,469	3,656,598
2009	1,460,000	438,309	1,756,719	3,655,028
2010	1,520,000	376,259	1,759,719	3,655,978
2011	1,590,000	310,139	1,757,075	3,657,214
2012	1,660,000	239,543	1,755,588	3,655,131
2013	3,490,000	163,681		3,653,681
Total	18,900,000.00	5,612,855.50	19,343,442.00	43,856,298



Sales Tax Revenue Bonds (*Courthouse Project*)

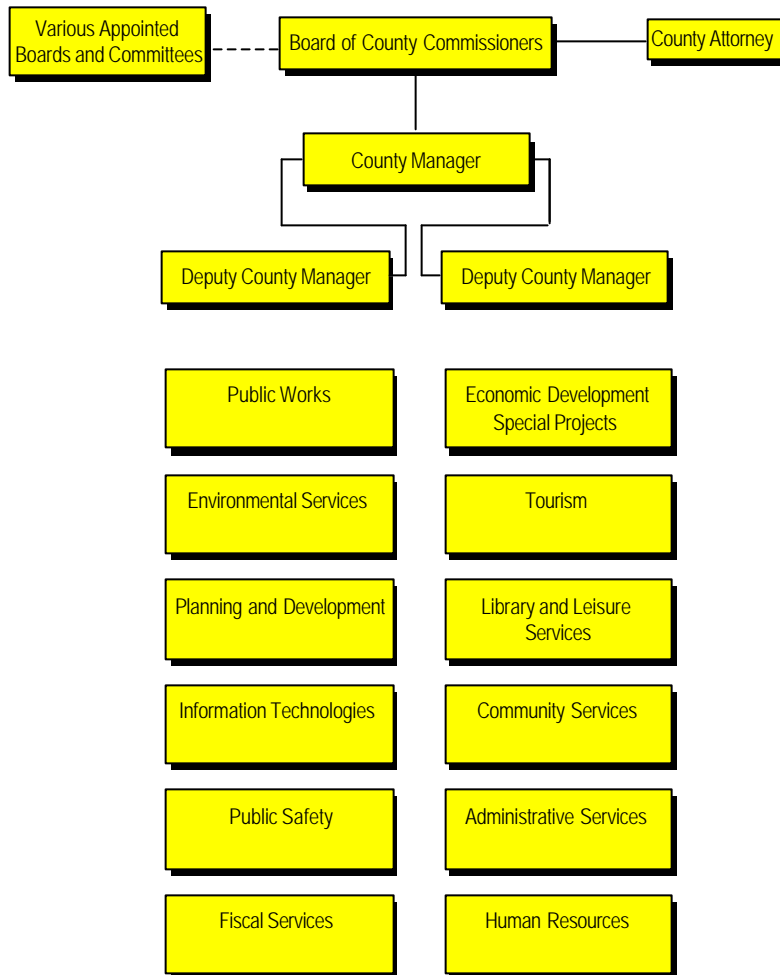
- Debt service coverage will be maintained at well over three times

Post Financing Aggregate Sales Tax Debt Service



7 SEMINOLE COUNTY'S GROWTH MANAGEMENT

Seminole County Organization



- ▶ Seminole County is a charter government
- ▶ Seminole County values citizen input as evidenced by numerous citizen boards
- ▶ Seminole County management emphasizes infrastructure and essential community services
- ▶ Community enhancements such as libraries, parks, and tourism development are priorities
- ▶ Board and key management staff are encouraged to have direct interactions
- ▶ Organizational chart is structured to display team approach to management

Seminole County's Success at Managing Growth

- ▶ Seminole County was the first county in the State to adopt a growth management plan.
- ▶ Successful Economic Development Program has been in effect since 1995.
- ▶ 5 Year Capital Improvement Plan is updated annually through the budget process.
- ▶ Seminole County's Comprehensive Plan, reviewed and updated in 2001 as Vision 2020, serves as a blueprint for managing growth in several ways:
 - The Plan projects the future growth of population, housing and employment over a twenty year period.
 - The Plan annually adopts a five year capital improvements schedule which insures that existing and projected new growth will be provided a set "level of service" for each public utility - that growth will not outstrip the County's ability to provide the desired quality of service to County residents.
 - The Plan adopts a future land use map setting out the location, density and intensity of future growth, directing growth in a manner to avoid sprawl and maximize the use of utility infrastructure.
 - The Plan serves as a guide to achieving the goals of community members through the implementation of objectives and policies relating to conservation, drainage, recreation, housing, economic health, and libraries as well as public utilities.

Seminole County's Success at Managing Growth

- ▶ Voters have been very supportive to funding amenities

Referendums:	<u>Passed</u>
• Library system	1982
• Jail Expansion	1987
• Environmentally Sensitive Land	1990
• 1 Cent Sales Tax for Transportation	1991
• Trails Network	2000
• Transportation / Education Infrastructure	*

*Scheduled for voter approval of 1 cent infrastructure sales tax on September 4, 2001.

- ▶ New Public Safety Emergency Operation Center is slated as State of Florida's EOC alternate site.
- ▶ Low tax rates
 - Total County millage (includes School Districts) is 54th lowest in state (of 67 counties)
 - Board of County Commissioners millage has been reduced by .4157 over 10 years (8% reduction since 1990/91) and is 59th lowest in the State.
 - Local utility tax rate is 4% of a possible 10% and is among the lowest in the State.

Future Plans for Infrastructure Enhancements

- ▶ Current voter-approved one cent infrastructure sales tax expires September 30, 2001. Over \$300 million was dedicated to improve the Seminole County road network.
- ▶ On September 4, 2001, voters will be asked to renew the penny tax for another ten years.
- ▶ The new program is a joint effort among the County, Seminole County School Board, and all seven Seminole County cities.
- ▶ Anticipated revenue is \$534 million over 10 years.
- ▶ 25% of the total will allow construction of 400 additional classrooms, upgrades to old facilities, and technology and activity facilities.
- ▶ 75% of the total will be committed to road and transportation needs, including sidewalks, pedestrian overpasses, safety projects, and other roadway improvements.

8 ECONOMIC DEVELOPMENT

Economic Development

- ▶ Seminole County's Economic Development Incentive Program began in 1995

Goals

- Increase job opportunities, particularly in targeted industry sectors.
- Raise wages.
- Recession-proof the economy by diversifying the local industry base.
- Strengthen the tax base.

Incentives and program requirements

- Monetary incentives provided by County through the Jobs Growth Incentive (JGI) Trust Fund. Funded by ad valorem revenue created from past JGI projects.
- Successful firm must create a minimum of 25 permanent full-time jobs paying at least the county's average annual wage.
- Jobs must be retained for 2 years from date of hire.
- Firm must provide performance bond equal to trust fund award.
- Program focuses on capital investments.
- Program encourages high-wage job creation.

Economic Development

- ▶ Seminole County Incentive Program's cost/benefit analysis is impressive

Results

• Number of participating companies	18
• Number of jobs created / retained	8,945
• Average salary of new jobs	\$37,000
• Number of secondary jobs created	15,733
• New private sector capital investment resulting in increased tax base	\$215 million
• Property taxes generated in Fiscal Year 2001	\$4 million
• Cumulative property taxes received over six years	\$17 million
• Total incentives paid out over six years	\$2.5 million
• Private investment per \$1 of County funds	\$86

Spin-offs:

- Small business development program
- Customized job training program

I-4 North Economic Development Success Stories



- ✓ Mitsubishi HIA, Hemispheric Headquarters



- ✓ BellSouth Mobility, Regional Headquarters



- ✓ Dixon Ticonderoga, World Headquarters



- ✓ AT&T, Regional Headquarters for two divisions



- ✓ Seagate Software, Regional Headquarters



- ✓ Lucent, Global Training Center



- ✓ Unicel Paper, Hemispheric Headquarters



- ✓ AAA, National Headquarters

Economic Development Investors



- ✓ Emerson Group International; UK



- ✓ Pizzuti Corporation; Chicago, Columbus, Orlando,



- ✓ Colonial Properties (REIT); Birmingham, Alabama



- ✓ TBI, PLC; Cardiff, Wales



- ✓ Crescent Resources LLC; Charlotte, North Carolina



- ✓ Duke-Weeks: Indianapolis, Indiana

I-4 Southern Corridor Continues to attract Business

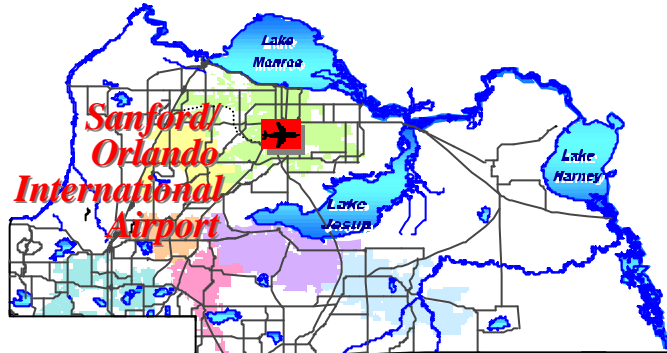
Altamonte Gateway Underway

- 1 million square feet of mixed use is currently underway.
- Projections expect another 2.5 million square feet of mixed use by 2020.

Cranes Roost - Altamonte

- 2.2 million square feet of mixed use development is currently underway.
- Projects include an 18 story class A office building with a capital investment of \$40,000,000.

Orlando Sanford International Airport



- ▶ Served 1.1+ million passengers in 2000, 23% increase over 1999.
- ▶ New 125,000 square foot terminal opened in 2000.
- ▶ Ranked 16th in nation for nonstop passenger volume to / from Europe.
- ▶ Ranked 1st in nation for highest load factor on flights to / from Europe.
- ▶ Fourth largest international airport in Florida
- ▶ Ranked in top 50 in world for international travel.
- ▶ No. 1 in state for general aviation operations; Fifth in U.S.
- ▶ Handled 12,760+ tons of cargo in 2000; increase of 23% from 1999.
- ▶ 2nd busiest airport in Florida; 28th busiest in USA
- ▶ Growing domestic market - Pan Am scheduled domestic service along with numerous charter services.
- ▶ Expanding domestic service this year as a hub for airtours with regularly scheduled flights to the Caribbean, Central America, Caracas, Washington DC, Cincinnati, and Atlanta.
- ▶ Rated as fastest growing airport in US by passenger count, March 2001.
- ▶ Projected that passengers will total 1.7 million in 2002.

▶ **Developable land within and surrounding the airport totals 630 acres which offers the potential of over 27 million square feet of development.**

US 17-92 Redevelopment Program

US 17-92 is the original route traversing Seminole County and five cities.

Recent Challenges

- Determined to be economically blighted.
- County property value increased by 4.5% from 1992 to 1997; yet during that study period, the 17-92 corridor was increasing at an average of .6% per year with some areas declining as much as 3%.
- Businesses were abandoning the area.
- The corridor has not been pedestrian or user friendly.

Goals

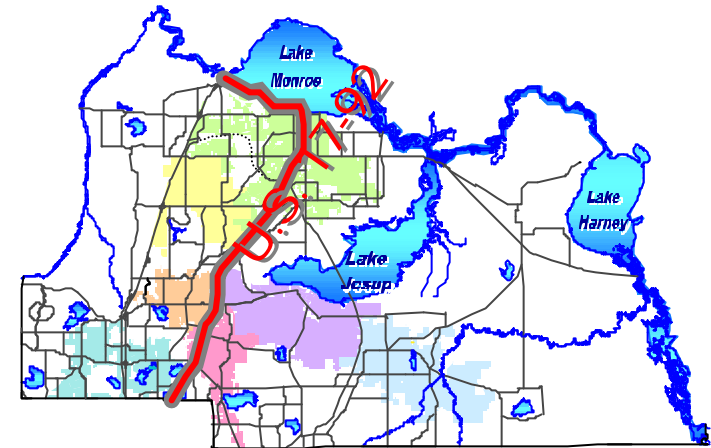
- Increase property value along corridor.
- Revitalize commercial activity along corridor.
- Increase pedestrian and commuter safety within corridor.
- Improve aesthetic appeal of corridor.
- Provide infrastructure improvements.

Mechanism

- Community Redevelopment Agency established in 1997 with participation from four cities and Seminole County.
- Use Tax Increment Funds (TIF) to ignite redevelopment.
- Accelerated installation of traffic safety features: sidewalks, traffic control devices, crosswalks and added landscaping.

Results

- Collected over \$400,000 in TIF revenue over three years.
- Property value increased 27% (over \$65 M) in just four years from 1997 to 2001.
- Renewed commercial investment and activity along corridor.
- Two new automobile dealerships, two major shopping centers, and numerous small stand-alone buildings have been added.



9 SUMMARY

Seminole County's Credit merits Double A Rating

- ▶ Debt levels are low in relation to its resources and borrowings for critical transportation and other infrastructure needs strengthen the County's resources to repay debt
- ▶ Financial operations are sound and well managed
- ▶ Economy is substantial, diverse and has consistently ranks among the highest in household income in the State
- ▶ Management is strong
- ▶ Sales tax bonds provide high quality security reflecting the County's basic strengths
- ▶ Sales tax bonds will maintain over three times debt service coverage